

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 721 - SB 1138

April 1, 2009

SUMMARY OF BILL: Authorizes the state to support a voluntary animal identification program. Prohibits the Department of Agriculture from mandating National Animal Identification System (NAIS) premises registration. Authorizes participants to withdraw from a voluntary animal identification program at any time unless they are part of an ongoing disease investigation or disease monitoring or control program.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$20,900

Increase State Expenditures - \$18,700/One-Time

\$435,100/Recurring

Decrease Federal Expenditures - \$20,900

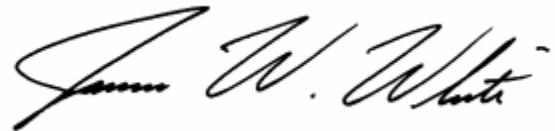
Assumptions:

- The Department of Agriculture receives federal funds through a cooperative agreement with the United States Department of Agriculture (USDA). The purpose of this agreement is to obtain support from livestock producers for the NAIS. The amount of funds received by the Department is dependent on the number of properties registered with NAIS. The Department has received \$209,000 from the federal cooperative agreement in FY08-09.
- The NAIS issues a seven-digit PIN to each farmer who registers. This PIN is used in the Tennessee Agricultural Enhancement Program (TAEP) to verify that properties are not being registered multiple times and to prevent multiple distributions of funds to the same property for improvements.
- The Department of Agriculture will re-program the TAEP system to create an internal identification system that could serve the purpose that the PIN issued by NAIS is currently serving. The one-time increase in state expenditures for this programming change is estimated to equal \$18,727.20.

- Current registration with NAIS is estimated at 20,000 properties. Based on the four-year historical data, an additional 2,500 properties would register with NAIS next year. Of the total 22,500 registrants, an estimated 2,875 would not register with NAIS if the regulation were removed.
- Reduction in revenue of 10 percent (\$20,900) from the loss of federal matching funds for the USDA cooperative agreement due to the reduction in registrations in NAIS.
- The Department would need additional personnel to verify the properties registering to participate in the TAEP fund distribution. One health technician position per nine regions of the state and one administrative assistant to accept and process applications.
- Increase in state expenditures for the additional 10 positions [9 health techs (\$23,501 salary each) and 1 administrative assistant (\$18,379 salary)] are estimated to equal \$435,149 (\$229,887.98 salary + \$118,613.02 benefits + \$81,648 travel + \$5,000 communication and supplies).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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